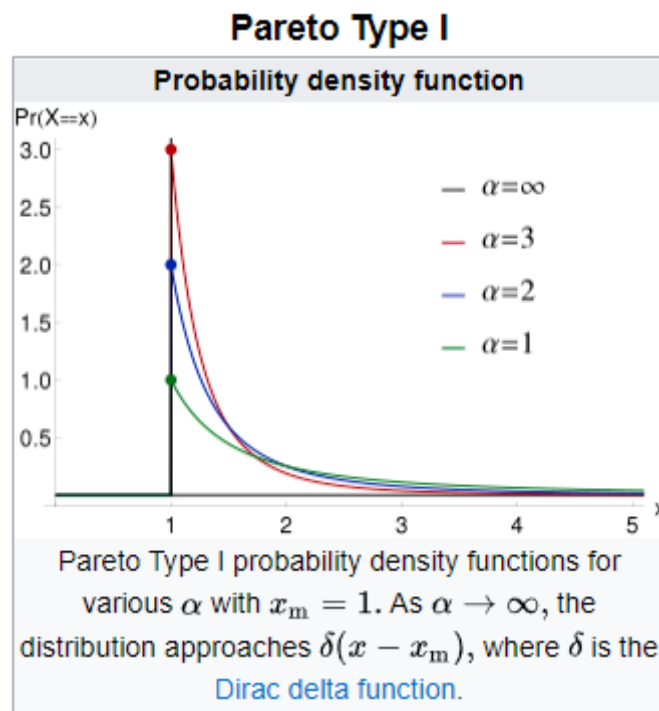


Pareto Distribution

The Pareto principle or "80-20 rule" stating that 80% of outcomes are due to 20% of causes was named in honour of Pareto, but the concepts are distinct, and only Pareto distributions with shape value (α) of $\log 45 \approx 1.16$ precisely reflect it. Empirical observation has shown that this 80-20 distribution fits a wide range of cases, including natural phenomena and human activities.



Examples

1. 80% of the entire project is done by 20% of the team
2. 80% of the defects can be solved if we solve 20% of the defects